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November 15, 2000

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Via Hand Delivery

Ms. Magalie Roman Salas  
Office of the Secretary  
Federal Communications Commission  
455 12<sup>th</sup> St., S.W., Room TW-A325  
Washington, DC 20554

Re: Comments of Cablevision Systems Corporation on Further Notice of Proposed  
Rulemaking, CS Docket No. 97-80

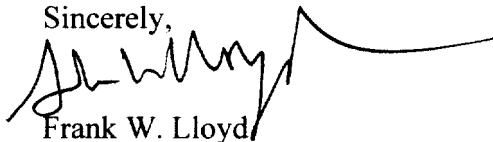
Dear Ms. Salas:

Enclosed for filing please find an original and four (4) copies of the Comments of Cablevision Systems Corporation on Further Notice of Proposed Rulemaking. Also enclosed is an extra copy to be date-stamped and returned to our courier.

By copy of this letter I have also forwarded the Comments on diskette to Thomas Horan, Cable Services Bureau, Federal Communications Commission as well as to International Transcription Service, Inc.

Please do not hesitate to contact me with any questions.

Sincerely,



Frank W. Lloyd

FWL/tsk  
Enclosures

cc: Thomas Horan  
International Transcription Service, Inc.

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*original*

MISSION

In the Matter of

Implementation of Section 304 of the  
Telecommunications Act of 1996

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)  
)  
)

CS Docket No. 97-80

Commercial Availability of Navigation Devices

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**COMMENTS OF  
CABLEVISION SYSTEMS CORPORATION  
ON FURTHER NOTICE OF PROPOSED  
RULEMAKING**

Of Counsel:

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Washington, D.C. 20004  
(202) 434-7300

November 15, 2000

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Implementation of Section 304 of the	)	CS Docket No. 97-80
Telecommunications Act of 1996	)	
	)	
<b>Commercial Availability of Navigation Devices</b>	)	

**COMMENTS OF  
CABLEVISION SYSTEMS CORPORATION  
ON FURTHER NOTICE OF PROPOSED RULEMAKING**

Cablevision Systems Corporation (“Cablevision”) opposes the proposal in the Further Notice to accelerate the date on which cable MSOs such as Cablevision are prohibited from deploying set top boxes with integrated security (called in the Further Notice “integrated navigation devices”) to an earlier date than the current deadline of January 1, 2005. One option that the FCC specifically mentions is to move the date of compliance with the integrated security prohibition from 2005 to 2003.

As the FCC itself notes in the Further Notice, the currently operative January 1, 2005 date was chosen to “minimize the economic impact of the prohibition on manufacturers and MVPDs by allowing them sufficient time to respond to equipment modifications and a changed market.”<sup>1/</sup> Those concerns remain valid today.

Cablevision, as has been reported widely in the media, has publicly announced plans to develop and deploy a new generation digital entertainment and broadband communications platform throughout the New York metropolitan area, centered around an advanced digital set

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<sup>1/</sup> Further Notice of Proposed Rulemaking and Declaratory Ruling, CS Docket No. 97-80, FCC 00-341 (rel. September 18, 2000) at ¶10.

top box developed jointly with Sony Corporation of America that provides more advanced digital technology. These plans were first announced in September 1999.<sup>2/</sup> Cablevision has been working closely with Sony since that time to design and produce this unprecedented digital set top box. Cablevision has been completing the rebuild and upgrade of over 34,000 miles of infrastructure to support the deployment of these boxes.

These boxes will be fully compliant with the FCC's requirement that such "navigation devices" include a separate security module so that the same devices can be sold in retail outlets. Cablevision is planning to spend more than \$1 billion to rollout about four million digital boxes in the New York metropolitan area.<sup>3/</sup>

Cablevision anticipates 100% deployment of its digital set top box, which will provide 400 to 500 channels. Only by having 100% deployment can Cablevision fulfill its strategy for using this increased channel capacity to connect Cablevision customers to an array of advanced interactive services.

Another major reason for deploying such a new digital set top box is that will reduce signal theft by removing the analog encoded signal from cable systems. Therefore all illegal black boxes currently in place will no longer function because there will be no analog signal for them to decode.

Cablevision cannot meet a January 2003 deadline for a total phase-out of integrated security boxes in every one of its numerous franchise areas and systems. Cablevision's plan is to begin an in-house beta test of the Sony boxes in October 2000,<sup>4/</sup> followed by a beta test

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<sup>2/</sup> See Cablevision Press Release: "Cablevision and SONY Team to Bring Next-Generation Digital Services To New York-Area Homes" (September 16, 1999) (attached to these comments as Exhibit A).

<sup>3/</sup> See "Cablevision CEO Touts Digital Boxes," *Newsday*, April 3, 2000.

<sup>4/</sup> See "Hildenbrand breaks the mold: Cablevision systems technology guru outlines digital strategy," *Communications Engineering and Design* (November 2000).

consumer launch in December 2000 with Cablevision employees. There may be changes in Cablevision's schedule due to any changes made after reviewing the results of the pilot testing with its employees as consumers.<sup>5/</sup>

Embarking on a carefully staged rollout strategy of this kind can provide cable companies with significant new learning at each step of the process. Moving the FCC deadline backward would truncate this strategic time schedule and limit the ability to develop equipment that will provide customers with the most innovative and useful services. The roll out of this technology will fundamentally change the customer experience and involves immense operational coordination and support. If the date were advanced, Cablevision would be faced with the unrealistic option of accelerating deployment or finding a costly and unnecessary interim solution.

Any deployment deadlines should, in general, be disfavored since they are not as effective a stimulus to innovation as is the competitive market. Acceleration of the date for the integrated security box sale ban, however, would cause significant disruption to Cablevision's equipment procurement and deployment plans, and to Cablevision's current phase-in schedule. It could also likely deter others that wish to move to advanced digital set-top boxes.

For the above reasons, the FCC should resist any efforts by any parties to move up the deadline for Cablevision and other MSOs to phase out providing set-top boxes with integrated security devices in favor of set-tops with separate point of deployment security modules (PODs) from January 2005 to an earlier date. To the extent the FCC believes any ban on integrated security devices to still be necessary in January, 2005, given the expected widespread availability

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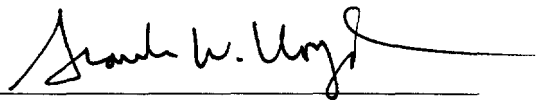
<sup>5/</sup> See also "Cablevision will launch pilot test of new digital service," Communications Daily, November 13, 2000 (1,000 boxes to be deployed in pilot test; full rollout to begin in second quarter of 2001).

of separate security boxes from alternative sources by that date, such a ban should certainly not be accelerated.

Respectfully submitted,

**Cablevision Systems Corporation**

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Its Counsel

November 15, 2000

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## **EXHIBIT A**



**SONY**

**CABLEVISION AND SONY TEAM TO BRING NEXT-GENERATION  
DIGITAL SERVICES TO NEW YORK-AREA HOMES**

**Companies to Create Digital Platform to Deliver Interactive Services Including  
Video-on-Demand, Web-enhanced Television, E-mail, and  
Dramatically Expanded Programming**

**NEW YORK, September 16, 1999** – Cablevision Systems Corporation (ASE: CVC) and Sony Corporation of America today announced plans to develop and deploy a new-generation digital entertainment and broadband communications platform throughout the New York metropolitan area. This new platform will link Cablevision's state-of-the-art delivery network with new, advanced cable set-top boxes designed and manufactured by Sony.

The digital platform, which features an interactive program guide, will enable Cablevision customers to enjoy an array of advanced services including: video-on-demand; always-connected, Web-enhanced television; e-mail; interactive game services; and scores of other new programming choices.

Sony will provide system design and software integration for the new platform, which includes both headend equipment and OpenCable-compliant digital set-top boxes. Both companies will collaborate on the development of certain digital entertainment services.

Cablevision, with the most extensive broadband network in the nation's largest media market – New York – and Sony, a unique company with extensive experience in the electronics and entertainment industries, together will create enormous synergies to deliver sophisticated programming and interactive digital applications. The companies expect to expand the capabilities and value of the television, connecting customers with the most sophisticated two-way fiber-optic delivery system in the nation.

"Together with Sony, the premier company in home electronics, Cablevision is poised to offer our customers the most dramatic change in home entertainment to date," said Cablevision President and CEO James L. Dolan. "Cablevision's state-of-the-art network and Sony's consumer expertise fit together magnificently to deliver on the promise of broadband as our customers enter a new digital age."

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"We are delighted to be joining forces with Cablevision to build advanced television technologies and a wide array of interactive entertainment options for consumers," said Howard Stringer, chairman and CEO of Sony Corporation of America. "For Sony, we see this as another critical step in our strategy to marry the power of our electronics and technology assets with our vast entertainment holdings to create a compelling 21<sup>st</sup> century lifestyle experience."

Cablevision expects to begin launching the new service throughout its New York metropolitan area cable systems next year to a potential audience of more than 4 million homes.

Planned advances Cablevision customers will enjoy include:

- **Video-on-demand:** Viewers will have instant access -- via a button on their remote controls -- to a library of movies, television shows and videos, including children's, educational and instructional options.
- **Always-connected, Web-enhanced television:** Internet technology will enhance customers' digital cable experience. Customers will be able to check e-mail online via their televisions, using either an on-screen cursor or an optional wireless remote keyboard.
- **Wider programming choices:** Cablevision will expand dramatically the number of sports, news and entertainment program services it offers, introducing dozens of new movie options and digital-quality music.
- **Games:** Customers will be able to access and enjoy new interactive game services on their televisions using the latest technology.
- **Interactive program guide:** An easy-to-use navigational device will allow viewers to move seamlessly among the many programming features and new digital services.
- **Sharper picture and sound:** Customers will enjoy the benefits of digital video with a crisper television picture and improved sound clarity.

The advanced digital set-top boxes will incorporate the i.LINK™ digital interface (IEEE-1394) and the Digital Transmission Content Protection ("5C DTCP") method. The i.LINK™ digital interface with 5C DTCP method will allow for the secure transmission of high definition television (HDTV) signals through the set-top boxes to digital television sets.

-more-

Sony and Cablevision will collaborate to leverage the capabilities of the i.LINK™ interface with Sony's HAVi (Home Audio-Video Interoperability)-based home networking software and Aperios real-time operating system to increase the breadth and variety of potential applications.

Sony Corporation of America, based in New York City, is the U.S. subsidiary of Sony Corporation, headquartered in Tokyo. Sony Corporation is a leading manufacturer of audio, video, communications and information technology products for the consumer and professional markets. Its music, motion pictures, computer entertainment operations, and online businesses make Sony one of the most comprehensive entertainment companies in the world. Sony recorded consolidated annual sales of more than \$56 billion in the last fiscal year ended March 31, 1999.

**For Internet Users:** Sony Corporation of America background and other helpful information can be found on Sony Corporation of America's Website (<http://www.sony.com/SCA/index.html>). Sony Corporation worldwide information can be found at: <http://www.world.sony.com>

Cablevision Systems Corporation is one of the nation's leading telecommunications and entertainment companies. The company's cable television operations serve more than 3.4 million subscribers located primarily in the New York, Boston and Cleveland metropolitan areas. Rainbow Media Holdings, Inc., a 75 percent-owned subsidiary of Cablevision, manages entertainment, news and sports programming businesses. Rainbow Media's assets include ownership interests in: American Movie Classics; Bravo; Madison Square Garden, L.P.; Radio City Entertainment; and FOX Sports Net. The Company also owns and operates The Wiz consumer electronics store in 40 locations, as well as 290 motion picture theatre screens in the New York metropolitan area.

**For Internet Users:** Information about Cablevision Systems Corporation, as well as background on its executives and other materials can be accessed on the Web at (<http://www.cablevision.com>).

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